

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF PUERTO RICO

IN RE:  
NEFTALI DOMINGUEZ TORRES  
MAGALY CARDONA TORRES

DEBTOR (S)

CASE NO. 10-08042-SEK

CHAPTER 13

**TRUSTEE'S UNFAVORABLE REPORT  
ON PROPOSED PLAN CONFIRMATION UNDER §1325**

TO THE HONORABLE COURT: NOW COMES, José R. Carrión, Chapter 13 Trustee, and very respectfully alleges and prays:

This is the Trustee's position regarding the request, under **11 U.S.C. §1325**, for the confirmation of a Chapter 13 Plan.

Debtor(s)' Income: **Above Median / 60 months commitment period.**

Gen Unsecured Pool: **\$0.00**

The **LIQUIDATION VALUE** of the estate has been determined in **\$82,390.00**

**R2016 STM. \$3,000.00**

<b>TOTAL ATTORNEYS FEES THRU PLAN: \$2,664.00   Fees paid: \$0.00   Fees Outstanding: \$2,664.00</b>
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With respect to the proposed (amended) Plan dated: **August 31, 2010** (Dkt 2).

Plan Base: **61,600.00**

The proposed (amended) plan can not be confirmed because it has the following deficiencies:

**- Insufficiently Funded : Fails CREDITORS' BEST INTEREST TEST [§1325(a)(4)]**

Plan is insufficiently funded to pay unsecured creditors the amount equivalent to the Estate's hypothetical liquidation value, to which the Trustee objects. Since unsecured claims amount to less than the Estate's liquidation value, the Trustee respectfully submits that Debtors should propose 100% + 6% to general unsecured creditors after the bar date has passed. At this moment, the minimum required base to pay scheduled unsecured claims plus 6% interest is of \$100,000.

**- Debtor(s) fails to comply with Income Tax Return filing requirements of §1308. [§1325(a)(9)]**

Debtors have failed to provide evidence of having filed IRS 1040-PR returns for years 2006, 2007, 2008 and 2009. The copies of the returns shown were unstamped.

**- Debtor(s) has/have failed to comply with her/his/their duties as a Debtor(s), debtor(s) has/have failed to provide documents and/or information requested at the meeting of creditors, impairing the Trustee duties performance under the Code. [11 USC §521 & §1302(b)]**

Debtors intend to fund the plan with proceeds from a state court lawsuit. They must apply to this Court for employment of the attorney who handles the state court litigation, submit a status report of such case every 6 months, and request this Court's approval of any settlement of said case.

**- Other/Comments**

Debtors requested continuance of the confirmation hearing scheduled for October 26, 2010. The Trustee agrees that continuance of the hearing until after the claims bar date is in the best interest of all parties.

Due to the above described deficiencies in the proposed plan the Trustee Objects to the Confirmation of the same.

CERTIFICATE OF SERVICE: The Chapter 13 Trustee herewith certifies that a copy of this motion has been served via first class mail on the same date it is filed to: the DEBTOR(s), and to her/his/their attorney through CM-ECF notification system.

In San Juan, Puerto Rico this October 21, 2010.

/s/ Jose R. Carrion

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/s/ Carlos Alsina -Staff Attorney

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JOSE R. CARRION  
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